

11 December 1957

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion on Administrative Plan for Project AERODYNAMIC

PARTICIPANTS: [ ] DC/SR 3; [ ] TAC.; [ ]

1. The meeting was arranged by the undersigned in order to discuss accounting and related matters re Project AERODYNAMIC with [ ] Technical Accounting Staff. Topics discussed included:

a. Revision of AERODYNAMIC Administrative Plan.

[ ] stated that he is completing the revision of the Administrative Plan and will send a draft to Sr 3 in the near future. He also stated that he will make provisions in the plan for the new cover arrangements and for the use of AEBEEHIVE as a funding mechanism for Project AECARTHAGE.

b. Audit of AEBEEHIVE Books. [ ] stated that since AEBEEHIVE is incorporated under New York laws as a non-profit organization the group will have to undergo an audit of their books in for 1957. He suggested that we make arrangements to hire the firm of McCarthy and Berk of New York to make the audit, since they have done similar audits for other projects. He stated that it is not necessary to initiate the audit until the state of New York sends the AEBEEHIVE treasurer a request for an annual financial statement, or until our Auditing Staff inquires about our plans for such an audit. He volunteered his aid in this matter and stated that the charge should not exceed \$300. [ ] stated that we would take care of the matter and inform AECASS 2 that we would cover these expenses from our contingency fund. [ ] also stated that under New York laws the state welfare office could legally request to examine AEBEEHIVE books. Should any such problem arise, our Office of General Counsel can aid us in the legal aspects.

c. Funding of Carthage Monies: Until the new Revised Administrative Plan is put into effect, the funds technically allotted for AECARTHAGE salaries are being taken from AERODYNAMIC funds. He stated that he has informed finance people re this matter and envisions no great problem in bookkeeping later when the actual CARTHAGE funds can legally be credited to AERODYNAMIC. [ ] stated that AECASS 2 had inquired if additional funds could not be obtained to cover costs of unemployment and welfare tax for AECASSOWARIES 4 and 15 since this was not allowed for in the present subsidy.

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